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**NC Reaches Rail Agreement that Brings Jobs, Economic Development
and Improved Passenger Service**

RALEIGH – Gov. Bev Perdue announced Monday that North Carolina has reached an agreement with Norfolk Southern Corp. that allows construction to begin on the modernization of intercity passenger rail service in the state. The work means creation of nearly 5,000 jobs for the construction work and longer term economic benefits in transportation, commerce and community development.

“This agreement is a major milestone in North Carolina’s ongoing investment in jobs and infrastructure for our citizens,” Perdue said. “We’ll be putting thousands of people to work in the short term and providing an improved transportation alternative that saves energy, reduces carbon emissions and protects the environment.”

The agreement, approved by the Federal Railroad Administration Monday, triggers release of \$461 million in federal Recovery funds that will pay for upgrade of tracks between Raleigh and Charlotte, bridges and crossing safety improvements, station expansions in four cities along that path and construction of a \$23 million maintenance facility in Charlotte. The funding also will enable North Carolina to improve speed and reliability of passenger service, add a fourth daily round trip between Charlotte and Raleigh and refurbish locomotives and rail cars.

The contract with Norfolk Southern is a major milestone in the implementation of the \$545 million passenger rail grant awarded North Carolina by the Obama Administration last year. States were required to negotiate rail operating agreements with the freight lines that own or lease the tracks in the states. Norfolk Southern leases the line from Raleigh to Charlotte from the N.C. Railroad Co., a privately run company fully owned by the state.